

Making Confectionery Shopping an Experience

C-store category experts weigh in on the best merchandising and promotional strategies By Danielle Romano

LIKE ALL THINGS RETAIL THESE DAYS, the confectionery shopping experience is in flux. New technology and the rise of e-commerce is shifting the way shoppers behave, as they're now looking for a more experiential confectionery shopping experience.

"The in-store experience now has to offer a holistic approach that incorporates this shift and creates a cohesive shopping experience. This can come to life in a lot of ways for retailers," said Jim Dodge, vice president of convenience at Mars Wrigley Confectionery U.S.

For example, although it's still a highly impulsive category, there is an opportunity to help products become planned purchases, making it from the aisle to the basket by connecting online communications with those in stores, Dodge explained.

"This is done by matching external promotions, such as web banners, with the internal merchandising experience," he said.

Millennials are the driving force behind the confectionery shopping shift, and this generation is embracing the small format of the convenience channel now more than ever. C-stores stocking unique flavors, textures and pack types are helping meet the needs of this generation.

"In addition to product mix, incorporating unique fixtures and signage is improving the c-store experience and increasing shopper engagement with the category," McLane Co. Inc. Confection Category Manager Kraig Morrison advised. "New technology and increased services are also evolving the shopper experience. For example, e-commerce and delivery are a couple of the future driving forces of the c-store shopping experience."

As consumers' confectionery shopping expectations continue to evolve, it's becoming increasingly important for c-store retailers to provide a seamless, integrated experience.

Here are four recommendations from confectionery category experts on how to win more sales:

Merchandising

The best planogramming strategy for confection places the top-performing items and brands in the area of the set with the highest visual penetration rate, also known as the "strike zone."

Positioning top items within the strike zone not only optimizes the placement of the best items in the set, but it also allows for king and standard pack types to be blocked separately, making the aisle more shoppable, according to Morrison.

"Grouping pack types helps to put king-size, standard and non-chocolate in their own prominent locations. With 32 percent of consumers only looking for king and 29 percent only looking for standard, creating their own blocks allows the planogram to cater to each customer's need state," he said.

Mars Wrigley Confectionery recently conducted a global, multi-month survey to understand what influences shopper purchasing decisions and developed a few key strategies:

- Carry a balanced assortment of gum, mints, fruity confections and chocolate to meet the shoppers' needs and drive sales.
- Reorganize products based on what motivates shoppers to purchase certain items. For example, pack type is the top purchase driver for fruity confections, while brand name is the top purchase driver for chocolate.

The candy aisle has traditionally been where shoppers seek confection, and 64 percent of confection purchases still originate from this primary location. However, the candy aisle has earned a



reputation as being one of the most difficult areas of the store to shop.

"Optimizing the candy aisle and arranging the planogram to place the products the shopper most often seeks in the 'strike zone' can decrease product search time by 50 percent and yield a 4-percent to 6-percent increase in sales," noted Alan Tobin, director of category management, convenience channel, at The Hershey Co.

This strategy ensures that the strike zone is reserved for only the very best items, which should include all sizes. Getting the merchandising strategy right in the primary location is key to success in the confectionery category.

"If shoppers are unable to locate an item they desire immediately, they will walk away from the category completely," Tobin acknowledged.

Core-Mark International Inc.'s Michael Caporusso, director of marketing and category management, shared a similar sentiment: "One of the barriers to the category is wrong pricing and another is if the candy aisle has low visibility, so prioritize the placement of products."

However, retailers must also be cognizant that the candy category is driven by brand and innovation. "Shoppers are looking for specific brands, but they're also looking to indulge in what they haven't eaten before," said Caporusso. "It's a contradictory experience, but for a c-store retailer to provide convenience, you have to have both experiences."

Signage

The average time spent in a convenience store is only 2 minutes and 42 seconds. And of this short period of time, only 18 seconds are spent in-aisle.



"Signage helps the shopper navigate the store and directs the shopper through the aisle to make the most of this valuable time. Good examples are window and pumptopper signage to help drive shoppers into the store," said Morrison.

Mars Wrigley Confectionery's Dodge agrees with this strategy and recommends retailers leverage a mix of in-store and out-of-store signage by advertising power brands on the lot during key holidays and leveraging pumptoppers and gas TV ads to promote high-margin basket builder categories, like confection.

Promotions

Promotional effectiveness is becoming more of a must-have to generate gains year over year.

The anticipated lift in sales that the "right price" will trigger, combined with the successful application of marketing, has to accomplish the goal of producing more net profit at the reduced price for the period of time. According to McLane's Morrison, two-for pricing is one of the most successful drivers in candy, leading to the "win-win-win result."

"The shopper recognizes the value of a 2/\$2 or 2/\$3 offer for multiple products and, at the same time, the retailer and the manufacturer are gaining sales and penny profit gains with the larger basket rings," he said, adding that fountain drink bundling is another successful driver.

Last Interruptions

Aside from the candy aisle, counter unit displays, under the counter and queue lines are critical secondary purchase points for confectionery, as shoppers approach the pay point from these different vantage points. It's important for c-stores to maximize checkout given the brief time customers spend in the store.

With that in mind, Dodge has these three final tips for c-store operators:

- Redesign the checkout by using large-footprint and ground-up builds, as well as register toppers that feature power categories and power brands.
- Make sure products are easy to shop and well organized around the checkout. If shoppers can easily locate impulse products, they are more likely to add them to their basket.
- Provide a variety of product choices to satisfy different shoppers' end-of-trip needs. **CSN**

